

REMARKS

This Amendment and Request for Reconsideration is submitted with a Request for Continued Examination and in response to an outstanding Office Action (Final Rejection) mailed on November 25, 2008, the shortened statutory period for response having expired on February 25, 2009. Accordingly, a petition for an extension of time is enclosed. In the event that the Commissioner determines a further petition for an extension of time or associated fee is required, the undersigned hereby petitions for such extension of time and authorizes the Commissioner to charge any required fee to the Milbank deposit account 13-3250.

Applicant and the undersigned appreciate the time and consideration during an in-person interview on February 18, 2009 and follow-up communications on March 4, 2009. The pending claims, Lange reference and November 25 2008 Office Action were discussed. The need to address statutory subject matter under § 101 in view of *Bilski* was also discussed. The Amendments presented in this response substantially reflect the issues addressed during that interview.

I. Status of the claims

Please cancel claim 6 without prejudice, and amend claims 1, 4, 5, 7, 20, 28 and 29 as indicated above. Claims 1-5 and 7-29 are now pending in the application. Claims 1, 28 and 29 are independent claims.

II. Rejections under 35 U.S.C. § 102

The Examiner has rejected claims 1-5, 7, 8 and 11-29 under 35 U.S.C. § 102 as being anticipated by U.S. Published Patent Application No. US 2002/0147670 A1 to *Lange*.

As discussed during the interview, *Lange* is directed to binary options and does not disclose or suggest a plurality of at least three holders of equity investment instruments, where the holders that incur losses are determined according to a loss threshold mechanism, and further where the holders incurring losses are reimbursed from the loss reduction fund and that reimbursement either depletes the loss reduction fund, or all losses incurred by holders are reimbursed from the fund.

Allowance of the pending claims over *Lange* is respectfully requested.

III. Rejections under 35 U.S.C. § 103

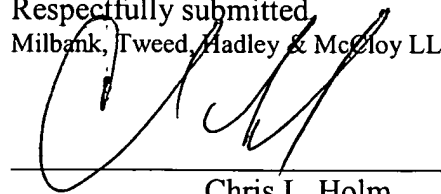
The Examiner has rejected claims 6, 9 and 10 under 35 U.S.C. § 103 as being anticipated by U.S. Published Patent Application No. US 2002/0147670 A1 to *Lange* in view of *Champion* (U.S. Patent No. 5,126,936).

Claim 6 is cancelled without prejudice and claims 9 and 10 depend from claim 1. As discussed above, *Lange* does not anticipate claim 1 and therefore the combination of *Lange* and *Champion* does not render claims 9 and 10 unpatentable under 35 U.S.C. § 103. Withdrawal of the rejection and allowance of claims 9 and 10 is requested.

IV. Request for Reconsideration

The Applicant respectfully submits that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

Respectfully submitted,
Milbank, Tweed, Hadley & McCloy LLP

A handwritten signature in black ink, appearing to read 'CHL', is written over a horizontal line.

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Reg. No.: 39,227

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